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SUBJECT: USAID, DFID AGREE ON COLLABORATION PROJECTS

¶1. (SBU) Summary: UK Secretary of State for International Development, Douglas Alexander, sought USAID Administrator Henrietta Fore's support for DFID's planned September 25 meeting on the Millennium Development Goals in New York. Douglas agreed to co-author an op-ed piece with Fore on why development work is important for national security. Both agreed to press donors to fulfill their pledges for budget support to the Palestinian Authority to avoid a serious fiscal crisis. They also discussed Fore's recent trip to Afghanistan and Pakistan, and agreed that the U.S. and UK should cooperate on development projects in the Afghan-Pakistan border regions. End Summary.

¶2. (SBU) In a short bilateral meeting immediately prior to the May 2 Ad Hoc Liaison Committee Meeting (AHLIC) in London, Alexander explained to Fore and Ambassador Tuttle that PM Brown is placing a high priority on his planned September 25 meeting on the margins of the U.N. General Assembly meeting in New York to support the Millennium Development Goals (MDG). Administrator Fore reassured him that the U.S. is supportive of the MDG, but stressed the importance of economic development as a means to achieve them. Fore suggested that DFID communicate clearly to the USG, well in advance, how it can support HMG at the September 25 meeting.

¶3. (SBU) Fore suggested that USAID and DFID jointly author a series of op-ed articles on why development aid is important to national security with examples from DFID and USAID's work in Palestinian Territories, Afghanistan and Pakistan. USAID Mission Director for the West Bank and Gaza, Howard Sumka, will lead the drafting for the Palestinian piece. A POC for the other two will be identified.

¶4. (SBU) Fore told Alexander that the Palestinian Authority's (PA's) budget shortfall is her top concern at the AHLIC. She noted that the PA will run out of money in mid-June and have a deficit of over 500 million USD if other donors do not live up to their commitments. Fore said that part of the deficit is due to Arab government not living up to their pledges from the December Paris Donor's Conference. Both agreed they would advance this message throughout the AHLIC meeting whenever possible.

¶5. (SBU) Alexander was impressed that the U.S. had channeled money into Afghanistan via a few of that country's working ministries. Fore said the priority in Afghanistan is to expand the agricultural sector through export, support the upcoming elections, Afghanize the economy, and strengthen the energy sector. In order to achieve this, the USG should begin purchasing food and other supplies locally. In Pakistan, she noted that the U.S. and UK should cooperate on infrastructure projects in the Afghan-Pakistani border region.

TUTTLE